ABSTRACT OF THE DISCLOSURE

Provided is a technique forecasting the direction in which the price of an asset will move by identifying a group of exogenous variables that are likely to influence observed prices of an asset. Then, historical data for values of the exogenous variables and historical data for the observed prices of the asset over a time period are processed to obtain a formula for calculating price estimates for the asset as a function of the exogenous variables. The formula is calculated using an input set of observed values for the exogenous variables at given point in time, so as to obtain a price estimate for the asset at the given point in time. Then, a similarity measure is determined by comparing the price estimate for the asset at the given point in time to the observed price for the asset at the given point in time. Finally, a direction in which the observed price of the asset will move is forecast based on the similarity measure.